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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505Executive Registry
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15 MAY 1981

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MEMORANDUM FOR: J. H. Rixse
The Special Assistant
Office of the Secretary of Defense

SUBJECT : Prospects for US Sales of Defense Related
Equipment to China

REFERENCE : Department of Defense Memorandum XL3803,
Potential Munitions and Commodity Export
Cases with China, April 10, 1981

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1. NFAC analysts have reviewed the papers you provided on prospective transfers of materiel to China and have prepared the attached memorandum in keeping with your conversation with [redacted]. To provide a more orderly analysis, they grouped the items on the Department of Defense lists into eight general categories and then reviewed, in order: China's needs for the equipment, China's ability to pay, and anticipated Soviet reactions to the transfer.

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2. Our response is tailored to your request and is being provided only to the Department of Defense. However, portions of the analysis will appear in other NFAC issuances to report our ongoing analysis of the People's Liberation Army and its needs in meeting Beijing's military modernization program.

[redacted]
Executive SecretaryAttachment
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[redacted]
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